

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE KENTUCKY PUBLIC SERVICE COMMISSION)	
)	
VS.)	CASE NO. 8808
)	
STONEY FORK WATER WORKS)	

O R D E R

On January 12, 1983, the Commission sent to the Stoney Fork Water Works ("Stoney Fork") a request for information on the operations of domestic water service facilities at Kettle Island in Bell County, Kentucky. Stoney Fork did not respond, and the matter was set for hearing on May 5, 1983.

The hearing was held in the offices of the Commission in Frankfort, Kentucky, and all parties of interest were given an opportunity to be heard.

COMMENTARY

Witnesses at the hearing were Mr. Harve Couch and Mr. Pearl Brock, Stoney Fork's operator and owner of its source of supply, respectively. The following information was taken from their testimony: The Ritter Lumber Company was operating at Kettle Island about 45 years ago. At that time, a lumber mill and water system were constructed. The water distribution system included a 10,000-gallon tank and distribution lines to serve the homes of the lumber mill community. The source of supply was a spring flowing from limestone rock located about 1,000 feet up the

hillside from Kettle Island. The spring is located on land owned by Mr. Brock.

After termination of operations by the Ritter Lumber Company, ownership of the water distribution system passed from the lumber company to Mr. Brock to the residents of Kettle Island. Mr. Brock does not charge for the water that flows from his spring to Stoney Fork. The Kettle Island residents, in order to maintain water service, agreed to assess themselves for essential costs. They pay this assessment in one lump sum of \$31 per year or in monthly installments of \$3 to Mr. Couch, who is responsible for the system's operation and maintenance and the monitoring of water quality on behalf of the 46 homes receiving water from Stoney Fork.

OPINION AND ORDER

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. Stoney Fork is owned, operated and maintained by the residents of Kettle Island, Bell County, Kentucky. These residents make the decisions essential to the continuity of their water service and reach agreements on the costs of providing service and the users fees to cover these costs.

2. Mr. Couch is responsible for operating and maintaining the Stoney Fork water facilities and for monitoring¹

¹ Monitoring of water quality involves sending test samples to a laboratory that has been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet and taking the actions which may be required (chlorination, etc.) to insure quality.

the quality of the water for the residents of Kettle Island. In exercising this responsibility, Mr. Couch collects the water service fees from the residents of Kettle Island and deposits these receipts in Stoney Fork's bank account. The Commission finds these receipts to be compensation for Stoney Fork for the utility service provided by Stoney Fork. Further, under KRS 278.010, Stoney Fork should be classified as a public utility subject to jurisdiction of this Commission.

3. KRS 278.010 states:

- (2) "Person" includes natural persons, partnerships, corporations, and two or more persons having joint or common interest;
- (3) "Utility" means any person except a city, who owns, controls or operates or manages any facility used or to be used for or in connection with:
* * *
(d)The diverting, developing, pumping, impounding, distributing or furnishing of water to or for the public, for compensation; (Emphasis added.)

4. Mr. Brock is the owner of the mountain spring that is the source of supply for Stoney Fork. Mr. Brock is not compensated by the residents of Kettle Island for their use of the water that flows from his spring. Mr. Brock should not be classified as a utility under KRS 278.010.

5. Stoney Fork has complied with the Commission's Order of April 18, 1983, by its appearance at and participation in the May 5, 1983, hearing.

IT IS THEREFORE ORDERED that Stoney Fork shall be subject to the jurisdiction of this Commission so long as its ownership and operating procedures remain substantially in accordance with the findings of this Order.

IT IS FURTHER ORDERED that Stoney Fork shall be subject to the statutes and regulations enforceable by this Commission.

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Stoney Fork shall file tariff sheets setting out the rates to be charged to its customers for approval by this Commission.

Done at Frankfort, Kentucky, this 19th day of September, 1983.

PUBLIC SERVICE COMMISSION


Chairman

~~Not Participating~~
Vice Chairman


Commissioner

ATTEST:

Secretary